This news release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws, which are based on expectations, estimates and projections as of the date of this news release. This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management’s expectations with respect to, among other things, the timing and amount of funding required to execute the Company’s exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company’s properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company’s ability to raise funding privately or on a public market in the future, the Company’s future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as “anticipate”, “believe”, “expect”, “intend”, “may” and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Canada, Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Compliance Statement (JORC 2012 and NI43-101)

This Report incorporates by reference the complete ASX announcement relating to the PEA results which were released to the market on 22 April 2015 and is entitled “Preliminary Economic Assessment Delivers Strong Business Case for the Woodlawn Zinc-Copper Project” (“PEA Announcement”). The PEA Announcement is available from the Company’s website at www.heronresources.com.au or from the ASX or SEDAR, and contains the JORC Table 1 relating to the Underground Mineral Resources as well as the detailed technical and financial assumptions which underpin the PEA results.

The technical information in this release relating to the exploration results and forward program at the Woodlawn Project is based on information compiled by Mr David von Perger, who is a Member of the Australian Institute of Mining and Metallurgy (Chartered Professional – Geology). Mr von Perger is a full-time employee of Heron Resources Limited and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 edition) and “qualified person” as this term is defined in Canadian National Instrument 43-101 ("NI 43-101"). Mr von Perger has reviewed and approved the technical information this report.

The zinc equivalent ZnEq calculation takes into account, mining costs, milling costs, recoveries, payability (including transport and refining charges) and metal prices in generating a Zinc equivalent value for each block grade for Au, Ag, Cu, Pb and Zn. ZnEq = Zn%/Cu%/3.12+Pb%/0.81+*Au g/t*0.86+Ag g/t*0.03

Metal prices used in the calculation are: Zn US$2,300/t, Pb US$ 2,050/t, Cu US$6,600/t, Au US$1,250/oz and Ag US$18/oz. It is Heron’s view that all the metals within this formula are expected to be recovered and sold.

Heron Resources Limited
Woodlawn Project Overview
High grade and high value deposit

Woodlawn Zinc-Copper Project

- High grade Zn+Cu+Pb+Ag+Au - high value deposit
- Expanding high grade underground (“WUP”)
- Advanced tailings retreatment project (“WRP”)
- Granted mining lease, project approvals & MOP in place
- Excellent infrastructure: road, rail, power, water
- Preliminary Economic Assessment (PEA) delivered strong business case
- Combined WUP + WRP Feasibility Study – H1 2016
Corporate Summary
ASX:HRR | TSX:HER

**Capital Structure**

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares:</td>
<td>415 million</td>
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<tr>
<td>Options:</td>
<td>13 million</td>
</tr>
<tr>
<td>Share Price:</td>
<td>$0.095</td>
</tr>
<tr>
<td>Market Capitalisation:</td>
<td>$39.4 million</td>
</tr>
<tr>
<td>Cash:</td>
<td>$27.2 million (30 Sep 2015)</td>
</tr>
<tr>
<td>Listed Investments:</td>
<td>$3.1 million</td>
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</table>

**Board**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Stephen Dennis</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>Borden Putnam III</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>Fiona Robertson</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>Mark Sawyer</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Ian Buchhorn</td>
</tr>
<tr>
<td>Managing Dir &amp; CEO</td>
<td>Wayne Taylor</td>
</tr>
</tbody>
</table>

**Management**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director &amp; CEO</td>
<td>Wayne Taylor</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Ian Buchhorn</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>Andrew Lawry</td>
</tr>
<tr>
<td>General Manager Exploration</td>
<td>Dave von Perger</td>
</tr>
<tr>
<td>General Manager Strategy</td>
<td>Charlie Kempson</td>
</tr>
<tr>
<td>CFO &amp; Company Secretary</td>
<td>Simon Smith</td>
</tr>
</tbody>
</table>

**Share Price**

- ASX: HRR
- TSX: HER

- Share Register:
  - Ian Buchorn: 52%
  - Sprott: 11%
  - Greenstone: 9%
  - Canadian Register: 13%
  - Australian Register: 15%
Highlights
Targets achieved in 2014/2015 and strong position for 2016

2014/2015 targets achieved

- Merger: Heron + TriAusMin
- Woodlawn Phase I Drilling – 7,613m
- Woodlawn Preliminary Economic Assessment
- Commenced Woodlawn Feasibility Study
- Woodlawn Phase II Drilling – 19,000m
- Strategic Investor – Greenstone Resources LP\(^1\)

Entering 2016

- Strong financial position
- Compelling case for Woodlawn development
- Woodlawn Feasibility Study on track
- Robust supply/demand fundamentals for zinc

\(^1\) Transaction closed after the completion of FY15
Zinc Market
Compelling Fundamentals

- Continued flow of disappointing macroeconomic news a weight on commodities
- Current pricing environment is unsustainable for zinc production
- Mine closures and curtailment impacting global supply
- Few near term production projects
- Consumption remains strong – ytd15 > ytd14\(^1\)
- Falling warehouse stocks – ILZSG forecast metal deficit of 152kt\(^1\) in 2016 prior to Glencore’s announcement to reduce production by 500ktpa
- Average production grades are falling
- Strong price outlook from major commodity forecasters

1 ILZSG October report for Jan-Aug 2015

Source: Terra Studio, 7-Nov-15
Woodlawn History

- Discovered 1970
- Operated 1978 to 1998
- Open Pit, Underground and Satellite Orebodies
- Processed 13.8Mt @ 9.1% Zn, 3.6% Pb, 1.6% Cu, 0.5g/t Au, 74g/t Ag
- Consistent Performer – Tonnes, Grade, Costs
- Strong Historic Cash Flows

Driven to Improve

With these new tools in-hand Heron aims to realise greater value from Woodlawn

- 20 years operational data – knowledge depth in:
  - Geology & the Orebody
  - Mining
  - Processing
  - Product Marketability
  - Costs

- Adopting advances in technology, tools and operational practices:
  - Geological Modelling Tools
  - Geotechnical Modelling
  - Paste Fill
  - Fine Grinding
  - Process Control
Woodlawn – a High Grade Deposit

- Woodlawn high grade historical production (13.8Mt @ 9.1% Zn, 3.6% Pb, 1.6% Cu, 0.5g/t Au, 74g/t Ag)

- The new 6.5Mt WUP Resource compares extremely well to global peers (HRR-WUP)

- The WRP Resource grade of ~6% ZnEq is above some greenfields peers (HRR-WRP)

- New Resource model well advanced & incorporating Phase II drilling results

Source:

“WUP” – Woodlawn Underground Project
“WRP” – Woodlawn Tailings Retreatment Project
Delivering – Pathway to Production

8 months
PEA finalised
Delivered robust business case

12 Months
Feasibility Study
well advanced

18 Months
Decision to Mine
Project Funding
Construction
Commissioning

- On-time, on-budget
- Multiple high grade extensions
- Significant new shallow Resource
- New mine plan
- Successful metallurgical testwork
- Single plant WUP + WRP
- Strong business case
  - Compelling economics
  - Potential staged development
  - 11 year mine life

- Fully funded with Cash & Investments of $30.3M (30 Sep)
- $11M Feasibility budget approved and tracking to plan
- New Resource underway
- New strategic partner Greenstone Resources LP announced 24 July

- Feasibility Study completion expected H1 calendar 2016
- Followed by project funding
- Project construction (12-18 months)
- First production target is Q1 2018

Merger
HRR + TRO
Cornerstone Transaction

Specialist London-based mining and metals private equity fund

Equity Funding Package

- Raising of A$6.8M through a placement of 54.1M shares to Greenstone Resources L.P. at 12.6 cents per share representing a significant premium to Heron’s share price
- Potential additional investment
- Strategic relationship –
  - Heron will have access to Greenstone’s technical and financial expertise
  - Greenstone nominee to the Heron Board
- Strengthens Heron’s balance sheet in preparation for a decision to mine
The Years Drilling At Woodlawn

**Assays (2014/2015) To Date >20% ZnEq**

**Kate Lens:**
- 14.4m @ 20.7% ZnEq from 374m (4.6% Zn, 4.1% Cu, 0.8% Pb, 1.0g/t Au, 57g/t Ag), WND00001
- 8.8m @ 30.1% ZnEq from 374m (12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au, 35g/t Ag), WND00002
- 12.3m @ 33.7% ZnEq from 414m (20.0% Zn, 2.1% Cu, 6.1% Pb, 0.8g/t Au, 53g/t Ag), WND00007
- 7.1m @ 39.4% ZnEq from 340m (16.9% Zn, 9.9% Cu, 11.3% Pb, 3.5g/t Au, 25g/t Ag), WND00029
- 20.5m @ 20.7% ZnEq from 383m (8.1% Zn, 2.4% Cu, 2.9% Pb, 0.8g/t Au, 68g/t Ag), WND00031
- 34.0m @ 20.8% ZnEq from 326m (10.0% Zn, 1.1% Cu, 3.5% Pb, 1.6g/t Au, 97g/t Ag), WND00033
- 5.4m @ 27.7% ZnEq from 351m (15.1% Zn, 1.5% Cu, 6.0% Pb, 1.0g/t Au, 70g/t Ag), WND00039
- 27.7m @ 23.4% ZnEq from 401m (6.9% Zn, 3.9% Cu, 1.5% Pb, 1.0g/t Au, 75g/t Ag), WND00046
- 3.9m @ 26.9% ZnEq from 408m (8.5% Cu, 0.1g/t Au, 8.9g/t Ag), WND00053
- 9.1m @ 31.6% ZnEq from 370m (18.3% Zn, 2.3% Cu, 4.6% Pb, 1.1g/t Au, 53.7g/t Ag), WND00073

**Lisa Lens:**
- 4.2m @ 28.5% ZnEq from 241.9m (17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag), WND00015

**G Lens:**
- 9.3m @ 20.5% ZnEq from 76m (5.2% Zn, 2.6% Cu, 2.3% Pb, 2.0g/t Au, 122g/t Ag), WND00013
- 2.1m @ 29.8% ZnEq from 61m (3.1% Zn, 6.5% Cu, 1.3% Pb, 1.2g/t Au, 146g/t Ag), WND00014
- 4.7m @ 30.4% ZnEq from 40m (3.9% Zn, 5.5% Cu, 2.3% Pb, 1.6g/t Au, 203g/t Ag), WND00057
- 4.7m @ 22.4% ZnEq from 52m (6.1% Zn, 2.3% Cu, 4.0% Pb, 1.4g/t Au, 153g/t Ag), WND00058
- 4.2m @ 36.9% ZnEq from 66m (18.7% Zn, 1.7% Cu, 9.9% Pb, 1.0g/t Au, 131g/t Ag), WND00064

**I Lens:**
- 5.7m @ 21.8% ZnEq from 626m (13.3% Zn, 0.7% Cu, 5.4% Pb, 1.2g/t Au, 26g/t Ag), WND00006

**H Lens:**
- 1.7m @ 38.5% ZnEq from 109m (3.5% Zn, 6.8% Cu, 4.9% Pb, 3.9g/t Au, 213g/t Ag), WND00026
- 0.75m @ 51.5% ZnEq from 104m (5.6% Zn, 8.1% Cu, 6.8% Pb, 3.6g/t Au, 39g/t Ag), WND00027
- 1.1m @ 52% ZnEq from 117m (24% Zn, 4.3% Cu, 12.9% Pb, 1.5g/t Au, 97g/t Ag), WND00044

**E Lens:**
- 4.2m @ 28.5% ZnEq from 135m (14.8% Zn, 2.2% Cu, 6.2% Pb, 0.7g/t Au, 37g/t Ag), WND00012
- 4.6m @ 47.2% ZnEq from 55m (24.4% Zn, 1.1% Cu, 13.6% Pb, 1.4g/t Au, 241g/t Ag), WND00078
- 3.0m @ 58.7% ZnEq from 64m (28.5% Zn, 2.1% Cu, 13.1% Pb, 2.2g/t Au, 372g/t Ag), WND00078

**Focus area for drilling programs**
Shallow, early access, high confidence

Refer to Slide 2 for ZnEq calculation
Kate Lens
Growing Mineralised System
Underground Mine Planning
A ‘New’ Mine

PEA Target

- Sufficient inventory to support underground operations “UG Starter Case”
- Combination of new and existing resources
- Significant upside potential

PEA Outcomes

- 80% of WUP plant feed estimate from new resources
- Mine depth extension limited to 80m
- WUP + WRP = 11 year mine life
Process Plant Design
Dual-Feed Treatment

1.5Mtpa throughput capacity

Source (Production Target):
Heron Preliminary Economic Assessment (PEA) - “steady state”

Zn metal in concentrate
Annual Production Target
51ktpa Zn
(112Mlb)

Cu metal in concentrate
Annual Production Target
10ktpa Cu
(22Mlb)
+ Ag +Au

Pb metal in concentrate
Annual Production Target
16ktpa Pb
(35Mlb)
+Ag +Au

“WUP” – Woodlawn Underground Project
“WRP” – Woodlawn Tailings Retreatment Project
**Proving the Case for a Woodlawn Restart**

PEA “Starter Underground” delivers a strong business case

<table>
<thead>
<tr>
<th>Post-tax NPV&lt;sub&gt;8.3&lt;/sub&gt;</th>
<th>A$291 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-tax IRR</td>
<td>46%</td>
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<tr>
<td>Initial Capital</td>
<td>A$140M</td>
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<tr>
<td>Payback Period</td>
<td>2 years from commissioning</td>
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<tr>
<td>Mine life</td>
<td>11 years</td>
</tr>
<tr>
<td>Post-tax Cash Flow</td>
<td>A$577M</td>
</tr>
<tr>
<td>C1 Cash Cost</td>
<td>US$(0.00)/lb Zn</td>
</tr>
<tr>
<td>C3 Total Cost</td>
<td>US$0.30/lb Zn</td>
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</table>

**Results reported using an 8.3% post tax real discount rate (approx. 10% post-tax nominal).** AUD/USD FX trending from 0.73 to 0.69 by 2021. Flat real commodity prices of US$1.09/lb Zn, US$0.93/lb Pb, US$2.90/lb Cu, US$18.50/oz Ag and US$1,200/oz Au. All other material assumptions as per the release of 22 April 2015 with the following adjustments - amended modelled treatment of recoverability of tax losses and updated opening tax loss assumptions (opening tax losses increased to $77M, opening capitalised exploration increased to $32.3M); and various adjustments to operation cost modelling (no changes to the underlying assumptions). The PEA document which may be downloaded from SEDAR or the Company’s web site.
Woodlawn Infrastructure Advantages

- Extensive stakeholder consultation through EA process
- Strong local community and government support
- Single immediate landowner – Veolia
- Agreements in place to purchase land over operational footprint
- On-site collaboration – Veolia

**Power**
- #1 NSW State Grid 350m
- #2 Infigen Wind Farm 23x2.1 MW installed – 1500m
- #3 Veolia Gas Generation 6 MW installed – 450m

**Access**
- #1 Port Kembla 211 km by Road (Rail option) Underutilised Conr Berth $5M Shed Expansion 2013
- #2 Port Botany 239 km by Road Rail option

**Port**
- #1 Port Kembla
- #2 Port Botany Alternative to Port Kembla

**Water**
- Population >430,000 within 50-55km

**Labour**
- Population >430,000 within 50-55km

**Permitting**
- Single immediate landowner – Veolia
- Agreements in place to purchase land over operational footprint
- On-site collaboration – Veolia

**Mining Lease**
- Extensive stakeholder consultation through EA process
- Strong local community and government support
- Single immediate landowner – Veolia
- Agreements in place to purchase land over operational footprint
- On-site collaboration – Veolia

State Government Project Approval – 4 July 2013
Mining Lease – SML20 renewed for 15 Years – Feb 2015
Mine Operations Plan (MOP) Approved – Nov 2015
Exploration Potential

In Mine:-
- Lens extensions
- New lens discoveries

Testing high priority regional targets:-
- Currawang (historical prod.)
- Cowley Hills (historical prod.)
# Active Engagement

Local Stakeholders and the Investor Network

## Local Community

**Community Consultation Committee** – Local residents, Goulburn Mulwaree Council, Veolia

**Local Businesses** – contractors, suppliers, accommodation, maintenance, service providers

**Education Support** – school/university groups, industry work experience

## Investor Community

<table>
<thead>
<tr>
<th>Investors</th>
<th>Coverage</th>
<th>Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baillieu Holst</td>
<td>Paradigm (Canada)</td>
<td></td>
</tr>
<tr>
<td>Dundee (Canada)</td>
<td></td>
<td></td>
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</table>
2016 – The Outlook

Positioning Woodlawn for Development

- Feasibility Study Completion Expected H1 Calendar 2016
- Decision to Mine
- Project Funding
- Construction (12-18 months)
- First Production Target - Q1 2018
- Strengthening Zinc Market
Well Capitalised but Undervalued Relative to Peers
Positioned for uptick in EV as project progresses

- Attractive cash position, and
- A clear route to market...
- But, trading at a significant discount to peers

### Cash and Equivalents at 30 Sep

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$27.2M</td>
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<tr>
<td>Listed Investments</td>
<td>$3.1M</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$30.3M</strong></td>
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### Current Broker Price Targets

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<tr>
<th>Broker</th>
<th>Price</th>
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<tbody>
<tr>
<td>Euroz</td>
<td>$0.30</td>
</tr>
<tr>
<td>Baillieu Holst</td>
<td>$0.24</td>
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<tr>
<td>Hartley’s</td>
<td>$0.21</td>
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<tr>
<td>Paradigm</td>
<td>$0.30</td>
</tr>
<tr>
<td>Dundee</td>
<td>$0.25</td>
</tr>
<tr>
<td><strong>Current share price</strong>*</td>
<td><strong>$0.095</strong></td>
</tr>
</tbody>
</table>

* 17 Nov 2015
Investment Proposition

- Zinc – strong and transparent market
- High grade / low risk / long life asset
- PEA – finalised and delivered compelling development case
- Feasibility Study and next drill program underway
- Short lead time to production
- Demonstrated discovery upside
- Favourable jurisdiction supported by excellent infrastructure
- Well capitalised and fully funded through Feasibility Study
- Strategic investor backing, a “value” stock

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Ian Buchhorn (Executive Director)